



## DISCLOSURE REQUIREMENTS

In applying the \$100,000 insurance limit, the FDIC must add together all deposits owned by the same depositor in the same ownership capacity. [See 12 C.F.R. § 330.3\(a\)](#). In the case of deposits owned by a principal but held by an agent, custodian or nominee, the deposits are insured to the same extent as if deposited in the name of the principal. [See 12 C.F.R. § 330.7\(a\)](#). In other words, the insurance coverage “passes through” the agent or custodian to the principal. Such “pass-through” coverage is not available, however, unless the deposit account records of the failed insured depository institution disclose the fiduciary relationship between the agent and the principal. [See 12 C.F.R. § 330.5\(b\)](#). If there are multiple levels of fiduciary relationships, those relationships must be disclosed through either of two methods:

### First Method

- (A) Expressly indicate, on the deposit account records of the insured depository institution, the existence of each and every level of fiduciary relationships; and
- (B) Disclose, at each level, the name(s) and interest(s) of the person(s) on whose behalf the party at that level is acting.

### Second Method

- (A) Expressly indicate, on the deposit account records of the insured depository institution, that there are multiple levels of fiduciary relationships; (B) Disclose the existence of additional levels of fiduciary relationships in records, maintained in good faith and in the regular course of business, by parties at subsequent levels; and (C) Disclose, at each of the levels, the name(s) and interest(s) of the person(s) on whose behalf the party at that level is acting.

If these disclosure requirements are not satisfied, the deposit will be insured to the deposit broker and not to the broker’s customers. Thus, in aggregation with other deposits owned by the broker at the same insured depository institution, the deposit will be insured only up to \$100,000.

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